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STATE FOR EAP/MLS AND EB/CIP
STATE PASS TO USTR DAVID BISBEE AND JONATHAN MCHALE
COMMERCE FOR 4431/MAC/AP/OPB/VLC/HPPHO

SENSITIVE BUT UNCLASSIFIED
SIPDIS

E.O. 12958: N/A
TAGS: [ECPS](#) [ECON](#) [ETRD](#) [USTR](#) [WTRO](#) [VM](#)
SUBJECT: VIETNAM HEEDS SECTION 1377 REVIEW COMMENTS; STILL
CONSIDERING ITS RESPONSE

REF: 06 STATE 202978

¶1. (SBU) Summary: On January 2, Post provided the Ministry of Posts and Telematics (MPT) with the Satellite Industry Association (SIA) and Voice on the Net (VON) Coalition's comments submitted as part of the Office of the U.S. Trade Representative's (USTR) 2007 1377 Telecom Trade Agreement Review Process. Dr. Phan Tam, Deputy Director General of MPT's International Cooperation Department, promised to relay these comments to the Ministry's leadership. MPT has not yet determined whether it will respond in writing or through the issuance of new regulations addressing U.S. industry concerns. Replying to SIA's comments on Vietnam's satellite services sector, Tam reported MPT will, "try its best to streamline satellite regulations in Vietnam." The Ministry did not immediately react to the VON Coalition's expressed disappointment that Vietnam jailed an "internet innovator" earlier this year. Addressing USTR's request for information on the rights of a Vietnamese telecom licensee to access or contract with foreign satellite operators (reftel), Tam referred to the 2004 Decree 24, which guides implementation of the Ordinance on Posts and Telecommunications. Post will send an English version of Decree 24 via the email system. End Summary.

¶2. (U) On January 2, Post delivered the Satellite Industry Association (SIA) and the Voice on the Net (VON) Coalition's comments on Vietnam's compliance with U.S. telecom trade agreements to MPT's International Cooperation Department Deputy Director General Dr. Phan Tam. SIA and the VON Coalition submitted these statements in response to USTR's November 15 Federal Register notice requesting public comments as part of its review of U.S. trade partners' compliance with telecommunications trade agreements, pursuant to Section 1377 of the Omnibus Trade and Competition Act of ¶1988. Post provided detailed instructions on how the Government of Vietnam (GVN) can respond by the January 16, 2007 deadline, should it choose to do so.

¶3. (SBU) Dr. Tam agreed to report SIA's concerns over the lack of transparency in Vietnam's satellite services market to MPT's leadership and said the Ministry will, "try its best to streamline satellite regulations in Vietnam." In a subsequent telephone conversation, Tam informed EconOff that MPT is considering whether to respond to SIA's comments in writing or by issuing further, detailed regulations. He explained that Vietnam's satellite services market was only "recently opened to competition," and conceded that the GVN must work to draft a clearer, more streamlined set of guidelines governing this sector.

¶4. (SBU) The Voice on the Net (VON) Coalition expressed its disappointment that some countries have jailed "internet innovators," rather than opening competitive Voice over Internet Protocol (VoIP) markets - citing a November 2006 case in which Vietnam sentenced a businessman to 16 years in jail for illegally setting up an Internet-based telephone service. (Note: The VON

Coalition is referring to the November sentencing of South Korean Businessman Ko Don Chul, who was found guilty of using the Internet to operate an unauthorized VoIP service which bypassed government-mandated international telephone charges. The GVN estimated the damages to be more than USD 1.1 Million. End Note.) Dr. Tam did not say if MPT will reply to the VON Coalition's comments.

15. (SBU) Responding to the reftel request for information on a Vietnamese telecom licensee's rights to access or contract with a foreign satellite operator, Deputy DG Tam referred to Decree 24/2004/ND-CP, which is the implementing decree for the Ordinance on Posts and Telematics regarding radio frequencies. According to Dr. Tam, Chapter V of the Decree, which deals with international coordination on the use and registration of radio frequencies and satellite orbits, is the only GVN-issued regulation which addresses USTR's reftel request. The Decree does not, however, provide clear guidance beyond the statement that, "Vietnamese as well as foreign organizations and individuals in Vietnam shall be obliged to comply with the regulations of the Ministry of Posts and Telematics in effecting international coordination and registration of radio frequencies and satellite orbits." (Comment: Dr. Tam said that there are no further MPT regulations on this issue. The wording of Decree 24, therefore, indicates that the a Vietnamese telecom licensee's rights to contract with foreign satellite operators should be among the issues addressed in future "streamlined" GVN guidelines regulating the satellite sector. End Comment.)

16. (U) Post will send Washington an English version of Decree 24 for review via the email system.

MARINE